

150
FROM THE EVENING POST.

COMMUNICATIONS

FROM

JAMES BOORMAN

TO THE

STOCKHOLDERS

OF THE

HUDSON RIVER RAILROAD COMPANY,

IN REPLY TO

Mr. A. C. FLAGG,

LATE PRESIDENT OF THAT COMPANY.

New York :

WM. C. BRYANT & Co., PRINTERS, 18 NASSAU STREET.

AUGUST, 1849.

TO THE STOCKHOLDERS OF THE HUDSON RIVER RAILROAD CO.

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I submit the following communications to you in this form, as they may hereafter be useful to refer to.

I find I have omitted one remark. The pre-emption right of myself, and all the other Directors to future issues of Bonds of the first \$3,000,000, has terminated by our own act, under the advertisement of 3d July last—it remains however to them, and all others, in respect to the additional \$1,000,000 provided for in the mortgage, as it cannot be interfered with till authority is given by law to issue them.

I beg leave to add another remark. Mr. Flagg, whether from worthy motives or not on his part, you must judge; has, I believe, rendered you an essential service in the example he has set of making no ~~secret~~ of the proceedings of a joint stock company board. That course from proper motives accords with the views I expressed to you in a communication under the signature of "*Several Stockholders*," on the 1st March, 1848. I then said, and now remain of the same opinion, that "The leading operations of the Company can require no veil of mystery—no secrecy—except the ordinary business caution in respect to prospective movements. Anything which is *done and concluded*, may be, and ought to be, freely communicated to all Stockholders, who are the real parties interested in anything adverse or advantageous which occurs. This, it is admitted, is a novel doctrine to promulgate as to the proceedings of boards of directors having charge of such operations,—but it is respectfully submitted, whether it is not a sound doctrine applicable to all joint stock concerns, and whether it might not be adopted with particular advantage in the management of this great *public work*,—which, the more it is discussed and examined, the more it will gain strength, and secure the confidence of the community as to its eminent benefits."

I trust this is the last occasion on which it will be necessary for me to appear before you un-officially.

JAMES BOORMAN.

New York, Aug 13th, 1849.

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1849
E. G. F.

TO THE STOCKHOLDERS

OF THE

HUDSON RIVER RAILROAD COMPANY.

—:O:—

The separation of the Hon. Azariah C. Flagg from the direction and office of President of your company, has been made the occasion of a second address to you, of the same insidious and deceptive character as his first letter, to some of the unfounded allegations in which, I gave you explanations in my communication of the 12th ultimo.

I then showed you that Mr. Flagg's removal from the company, was not brought about by my individual influence and action, as charged by him, but was the result of a combined movement of more than a majority of the Board, who deemed Mr. Flagg incompetent to the useful discharge of the duties of President.

I now proceed, according to the intimation then given, to submit some further remarks to you, in explanation of subjects connected with the management of the business of the company, which Mr. Flagg has most unworthily assailed and misrepresented; and as I shall found my remarks principally on the records of the company, and other documents, you will be able to judge in how far Mr. Flagg has been guided in his strictures by the principles of truth, fairness and consistency.

In what I have to say, I shall not be led from my original purpose, of noticing only the subjects of the first letter; but I shall allude to some of the remarks in the second, connected with the first, it being, principally, a mere repetition, in varied phrases, of the misrepresentations of the first. The continued personalities and slanderous insinuations in regard to myself, will be passed unheeded, except as they are connected with the points I may discuss.

The loan on Mortgage Bonds is the first and prominent subject of Mr. Flagg's censure, and particularly the failure of the pre-emption receipts, which gave to the takers of the first loan the right, on the same terms, to take of what should be subsequently offered, the proportion that their respective sums bore to the total amount then issued. The manner in which this is presented to you, implies that this provision *originated with me*; that Mr. Flagg, at the time, believed that a loan might have been effected without it, and that he was not responsible, equally with all others in the direction, for the adoption of it.

The part taken by Mr. Flagg, in procuring this loan, was of the usual inefficient character of his general action; and really amounted to nothing but mere clerical aid, in adjusting and correcting the documents. Mr. Flagg endeavored to throw upon the other members of the Board all important responsibility, as the following quotation from his letter of the 7th of Nov., to me, will show: "I presented a resolution to the Board to day, in regard to the sums for bonds and regulations for their transfer, so as to have them ready as soon as it is deemed advisable to use them. This was adopted, and I shall get forms and prepare regulations for the consideration of the Board.

But these will be matters of *form* merely, the *substance* of the thing you will have to attend to, the negotiation of the loan. I think a special committee should be made up of those members of the Board who are most extensively connected with the capitalists and business men of the city, and who enjoy their confidence, and that you should be at the head of such committee, for the purpose of negotiating a loan of three millions."

You must allow me here to make a short digression. Mr. Howland was at this time chairman of the finance committee, being the member of the Board best suited for that station, and in my answer of the 13th November to this invidious proposition of Mr. Flagg's, towards that gentleman, I said: "Although ready to do almost any thing in the service of the company, I must positively decline being chairman of a committee on the subject of the necessary loan; besides other objections to my mind, such a station appropriately belongs to our chairman of the finance committee, who, I doubt not, will be more efficient than myself."

On the 7th of December, Mr. Flagg again wrote me: "Mr. Lord has looked at the bonds and mortgage, and made his corrections, and the finance committee will report it on Tuesday to the Board, with the present condition of the finances, with the proposition to commit the negotiation of a loan, or the issue of the bonds, to a strong committee, and I hope you will not only go on the committee, but that you will reflect on the matter, and select the best names to accomplish the object."

Now compare these extracts with the paragraphs near the conclusion of Mr. Flagg's last letter, and particularly his remark, "and it is unfortunate for the stockholders that the judicious and practical common sense views of such men as Mr. Howland, Mr. Alley, and others, *who, in some way, have been elbowed out by the domineering spirit of Mr. Boorman*, had not predominated from the first organization of the company." In the paragraph next to the one I have quoted from, Mr. Flagg is most flagrant in his disregard of truth. He says, in respect to a report of the finance committee on the subject of the contemplated loan: "This did not meet the views of Mr. Boorman, and after some delay, *he got the matter referred to the same committee to which the instalments had been assigned*, to indemnify those who had given a note for a temporary loan. *He was chairman of that committee,*" &c. &c. Now the facts in this case are, that "Mr. Boorman," while he was devoting much time and labor as chairman of this special committee to the correction of Mr. Flagg's neglect of his duties, in not having attended to the collection of instalment, resisted the assignment of the business of the loan to that committee, contending that it belonged to the finance committee, which ought to take it in charge, but finally he assented to the pro-

position that it should be so assigned, Mr. Howland being chosen on the special committee; and I call to the minds of Mr. Flagg and the other gentlemen of the Board the facts do not appear on the records, that when this arrangement was made, it was through a boarding company of a member of the Board, "You say that," you can be had, and we hold you responsible for it," to which I replied, "Well, gentlemen, I will take the responsibility; but, mark me, you must do my business."

This led to my preparing the February report, which this man, when it was submitted to the Board, approved by his vote, signed with the other directors as conveying to you his individual sentiments, and which became, by his specious insinuations, endeavor to subvert, and to nullify the statements it contained, though he then said they were "frankly" stated. The fact is, that throughout the whole proceedings in respect to that loan, this great and distinguished financier was nothing but a mass of snobbery; appearing to think that if he prepared forms of that kind of mortgage, (and it was Mr. Van Solmick that gave these documents a practical shape,) and if he imposed others with his comptrollership experience and his blinding objections, his duty as President was fulfilled. You may see his misgivings when called upon in a case where something more than mere politeness was in view, in the tenor of his notes to me, from which I have quoted. I know not at which to be most astonished, his contemptible, dishonest meanness, or his adroitness and effrontery.

I will pursue this digression no further, but return to the mortgage bonds.

Mr. Flagg will know that the pre-emptive provision was not suggested by me, but by some of the takers not belonging to the Board, and finding on examination that arrangements could be made to meet the provision, consistent with the obligations of the company to original stockholders, other bids were encouraged, and procured on that condition.

On the opening of the bids, the company agreed to the pre-emptive provision, without the slightest objection being made by Mr. Flagg, and as it was just to put all takers on the same footing, the benefits of it were extended to all: arrangements being made allowing all stockholders who had not taken bonds, the privilege for thirty days of doing so, and participating in the benefits of the pre-emptive right.

This circumstance Mr. Flagg has suppressed, and he attempts to escape from what he considers responsibility in the case of this pre-emptive right, while I, for my part, have no hesitation in justifying it as entirely proper and consistent with the rights of the original stockholders, and as necessary under the circumstances—a loan of \$641,000 having been procured by it at par, at the cost of one per cent. to agents, while other railroad bonds were selling under a stringent money market materially below par—and this in the face of strenuous efforts of the opponents of your work to defeat any loan being obtained, that the credit of the company might be injured.

Whether such a defeat would not have been in accordance with Mr. Flagg's wishes, to further ulterior objects, I have now my doubts, from the course he has pursued since he left the company, and the tenor of his communications to you; but Mr. Flagg cannot escape from a full share of responsibility in this case; the vote that the loan be issued on these terms stands recorded *unanimous*, Mr. Flagg being present.

Mr. Flagg insidiously asks in his last letter, why, in the second issue of bonds (since he left the company) the names of the takers were not published as they were in the first? The answer is, that it was objected to by several takers, and one gentleman in particular, refused to take

bonds on that occasion because his name was published in the first instance. To counteract the malignant purpose of this inquiry, I assure you that the second loan of \$629,000, has been bona fide taken at par, less the brokerage as before, and without any other deduction.

The contracts for iron which were made many months before Mr. Flagg became connected with the company, have received his particular notice, and after insinuating in his first letter, that these unfortunate contracts were prompted by me, he recklessly asserts in his last, that "Mr. Boorman was the diplomatist who had his negotiation in charge." Whether this is true or not is a matter of no importance to you—the contracts having been made—but decisive evidence whether such positive statements from Mr. Flagg are to be relied on or not, is worthy of examination in view of his credibility in other respects.

On this point I might refer you to the communication of Messrs. Cooper and Hewitt, published yesterday as introductory to these remarks, but you shall have proof on proof.

I submit the following extracts from the minutes of the Board:

August 3d, 1847.—Present—Messrs. Chamberlain, Alley, How and, Kelly, Kemble, Wells, Jervis, Saffern and Ward.

Resolved, That the Committee on Purchases, be directed to inquire into the expediency of making contracts for iron, and report the same to the Board at their next meeting, with such recommendations as they may deem expedient.

(N. B.—The Committee on Purchases at this time were Messrs. Chamberlain, Howland, Kemble and Wells.)

August 17th, 1847.—Present—Messrs. Chamberlain, Boorman, Alley, Kelly, Saffern, Wells, Jervis.

Resolved, That the Committee on Purchases have authority to advertise for proposals for 9,000 tons of iron, to be delivered to the company.

August 24th, 1847.—Present—Messrs. Chamberlain, Alley, White, Kelly, Saffern, Ward, Kemble, Wells.

Resolved, That the Committee on Purchases be authorized to close a contract with Peter Cooper for 6,000 tons railroad iron, to be delivered in 1848, at \$67 50 per ton, and to make a further agreement, that in case the company should decide to extend the road to Albany, so as to complete it with the superstructure in the year 1849, said Cooper will agree to furnish 6,000 tons, deliverable in the year 1849, or when required, at the same price, and the company will agree to take that quantity at that price, the final payment of ten per cent. to be made in the stock of the company.

Resolved, That the Committee on Purchase be authorized to close a contract with Dudley B. Fuller, for 3000 tons railroad iron, on the same terms as those named in the preceding resolution, with similar agreement as to a further supply of 3000 tons in case the company decide to finish to Albany in the year 1849, and on the same condition as to the payment of the final ten per cent.

And finally, toward the close of the meeting:

Resolved, That the proposition of Peter Cooper be accepted upon the terms specified in previous resolutions, with the exception that he agrees to receive, as a final payment, \$45,000 in stock, in place of ten per cent., making his whole subscription, including his present subscription, \$60,000.

The propositions of Dudley B. Fuller, in conformity with the resolution referring to him, was verbally accepted by the President the same day.

You will perceive that the only one of the above meetings that I attended, was that held on the 17th of

August. I was absent from the city on the other occasions. Under the belief that the iron would be required for use early in 1845, I voted for the proposition to invite proposals for 9000 tons for that year. Had it at that time been proposed to make contracts for the year 1849, I should have opposed it; and little influence as I then possessed in the Board, I feel persuaded I could and should have prevented it; and I call to the mind of every gentleman then belonging to the Board, that when I found contracts had been made beyond the presumed wants of 1845, I openly expressed my unqualified disapprobation of the proceeding. Subsequently much discussion took place in respect to the details of these contracts, and it was finally asked as a favor by the President, that I would assent in adjusting them and reducing them to formal agreements. This I undertook, as stated by Messrs. Cooper and Hewitt, but in connection with Mr. Jarvis. Hence they have been mendaciously called by others, as well as by Mr. Flagg, "contracts made by Mr. Boorman."

I beg your particular reference to the names of the directors on the minutes, connected with these purchases, and you will find how severely, though unwittingly, Mr. Flagg, has censured Mr. Alley and other of his political friends, while he has falsely charged the contracts to my influence and agency. And it will be seen he has reflected on the Chief Engineer, in his remarks on these purchases having been made so long before any part of the iron could be used; for on the judgment of that officer, and on his alone, was the Board necessarily obliged to rely, as to the time when the iron would be required.

Mr. Flagg grossly exaggerates the loss to you on these purchases; it cannot be estimated at more than \$12½ per ton on the 9,000 tons which have been delivered, as when it would have been absolutely necessary to purchase, under the revised calculations of Mr. Jarvis, (who then had the aid of Mr. Flagg's great skill and discernment on such subjects,) it would have cost \$52½ for English, or \$55 for American, so that the loss on that part is not more than \$112,500, instead of \$150,000 to \$180,000, as stated by Mr. Flagg, who adds, "and as much more on the rails which are embraced in the conditional contracts." And this, he says, in the face of his declaration to you, in the report of February last, if in his view his individual signature to a document means anything, "that the contract for one third of this quantity will become inoperative by its own provisions, and the company are in negotiation to have other modified according to present circumstances." So much for this gentleman's truthfulness in the second leading impression he would make on you in his efforts to destroy your confidence in the management of your concerns. And when I tell you, as I do, that I took an occasion to rectify all the material circumstances of my agency in this case to Mr. Flagg, you may judge of his integrity of purpose in his attempts to fix this mismanagement on me.

The purchase of lands for right of way, is another point on which Mr. Flagg has been profuse in his structures. He says, "the exercise of a cool judgment, and a little common sense, at the outset, by the Chairman of the Land Committee, would probably have saved one-fourth of the expenditure for land damages."

When Mr. Flagg joined the company in February, 1845, he found me chairman of this committee, and in his avidity to accumulate slander on me, he has presumed I was so "at the outset." The minutes of the land committee will set him and you right.

"December 14, 1847.—Mr. Wells tendered his resignation as chairman, and nominated Mr. Boorman as his successor, who was thereupon appointed."

While I fully assent to the opinion of Mr. Flagg, that at the proper and judicious management of purchases of lands "at the outset would probably have saved one fourth of the expenditures for that object" from this city to Fishkill, I shall, without going into particular cases ask you to believe *my assertion* that the blame of the improvidence in this respect does not attach to Mr. Wells or myself, whom you may infer from the above minute generally coincided in judgment. The other members of the committee were Messrs. Chamberlain, ex off., Aaron Ward, of Westchester county, Mr. Hooker, of Poughkeepsie, the latter gentleman taking scarce any part in the proceedings till we commenced purchases above Fishkill. It was the improper interference and overriding of the committee by other members of the Board that caused the mischief; and it was at my request that Mr. Wells resigned, and nominated me as his successor, in order that I might endeavor to get the business of the committee into something like system, and keep it within its control. All the proceedings of the committee, while I was chairman, I will, when properly called on, justify, or show that I could not control them.

Mr. Flagg's Policy in regard to the prosecution of the work, he earnestly endeavours to impress on you, was the cause which led to his separation from the Board. That you would, as he has now exposed that policy to you, have thought it an abundantly sufficient cause for dislodging him, I do not doubt, but the fact is, that it was not his policy, but his faithlessness to the Board in this respect, which was one of the elements of the dissatisfaction that arose with his services in general.

Premising that Mr. Flagg was not called from Albany, to devise a policy for the prosecution of this work, but on the contrary, to bring the aid of his vaunted "Canal Board experience," in carrying out that on which you made your subscriptions, and which your Board had adopted, and was in good faith to you, acting on, I will now show you what has been his course on this subject.

On the 12th June, 1848, on the eve of the first election by the stockholders, Mr. Flagg, in my presence, carefully read and examined the report to you, under that date prepared by Mr. Kemble, and put his name to it *individually* with the rest of the committee containing the following sentiment as to the views of the Board in respect to the prosecution of your work:

"With a policy based upon this foundation, it has been and continues to be the intention of the Directors to urge the completion of the road, and to put it in operation from New York to Poughkeepsie in the month of May or June, 1849; and, in the mean time, to commence with the most difficult sections, those that will require the longest time to complete between that place and Hudson, so as to prepare the remainder of the road for opening in the year 1850, or earlier if possible, and they are happy to state that the progress of the work is such as to afford every reasonable assurance that this will be accomplished: but to do it, and at the same time to procure the necessary engines, freight and passenger cars, with the erection of depots, &c., will require about four millions of dollars. Independently of the three millions subscribed, the company have authority by the amended charter to borrow three millions of dollars, an authority which it is not necessary for the Board to exercise, until the three millions subscribed has been expended on the road. Can it be a question whether the loan of the necessary funds based upon a mortgage of the work, as authorized by the charter for the repayment, at seven per cent interest, would not readily be taken in this great commercial emporium? Those who doubt it, must have less confidence in the judgment

and sagacity, not to say patriotism of capitalists than your present Board of Directors."

I supposed, as you must naturally have done, when these views were put before you, under Mr. Flagg's signature, with those of all the other members of the Committee, Mr. Kemble, Mr. Jarvis, Mr. Van Schaick, and myself—that they were his real sentiments, and I reposed in full confidence that he would carry them into action as far as depended upon him. I took much of a recess from duties at the Board during the summer, and in moving into the city in the fall, was surprised at the general loose state of the affairs of the company; particularly the delay which had occurred in providing the location maps for the line north of Poughkeepsie, and an indifference and indisposition on Mr. Flagg's part to take any preparatory measure for the construction of the road above that point. I therefore, to test the sincerity of his views on this subject, submitted to the Board the following qualified resolution on the 25th of November last:

"Resolved, That no adverse circumstances as to the prosecution of the work entrusted to this Board, or the prospects of obtaining funds by loans when required, having occurred, since the report made to the stockholders on the 12th of June last, it is due to consistency of policy and to the best interests of the stockholders and of the public, that this Board should continue to act on the principle of obtaining without delay, the right of way above Poughkeepsie, and putting one or two different points under contract, according to the expectations held out in the subjoined extract from said report (that given above:) out it is understood that till arrangements are made to obtain a loan, it is not the intention of the Board to make contracts for right of way, or grading, beyond the extent of fifty thousand dollars."

On which, after an earnest discussion which has been alluded to by Mr. Flagg, the resolution was adopted by the following vote (Messrs. Alley and Olcott only being absent):

Ayes—Coorman, Kemble, Hooker, Peck, Bishop, Jones, Howland, Jarvis, Saffern, Van Schaick.

Noes—Mr. Flagg.

Though a doggedness of manner was subsequently apparent in Mr. Flagg, in all preparatory matters relating to the carrying out this policy of the Board, I could not believe that he could intend to set himself alone in opposition to the unanimous views of his acting associates. And when in February following, he voted in the Board approving, and put his name to a farther report to you, containing this sentence—"the Board confirm the report of June last in all respects," excepting that they do not now see a prospect of being able to open it with certainty to Poughkeepsie until the ensuing autumn," and this was issued under the individual signatures of all the acting directors, to give the assurance that it represented their undivided sentiments, I supposed that Mr. Flagg was really disposed to carry out, as he was bound to do, this re-adopted and only true policy of the Board. But it now appears from the whole tenor of his communications to you, that he entertained no such sentiments nor meant any such thing—and after having aided in procuring in February, 1843, an amendment to the charter, passed after he became a member of the Board containing this clause—"And said company may at any time, and from time to time contract for work, labor, and materials, in anticipation of obtaining such loans." Mr. Flagg, with his accustomed consistency, says, "it did not correspond with my views of sound policy, to make contracts for the payment of \$1,000,000 beyond the amount of stock subscriptions."

But I assert that it was not Mr. Flagg's different view as to policy, that led to his being asked to withdraw—because after the action which has been stated, it could not have been apprehended that he could be so utterly faithless in the fulfilment of his public promises to you, and in the discharge of his bounden duty towards the Board. If Mr. Flagg had been an efficient, systematic, energetic, faithful executive officer, he would have been your president still, because with such an officer we should have had nothing to fear from an honest difference of opinion, from all the active members of the Board—therefore that Mr. Flagg's unwillingness to carry out the views of the Board, first openly manifested by opposition to the resolution of the 25th of November, 1843, was an element in causing dissatisfaction with him, it would be disingenuous to deny, and as intended when I should allude to this point. I now submit to you the concluding paragraph of the letter of 31st May, in relation to his removal, which was as follows: "To these causes for that change may be added, the views Mr. Flagg advocated in the commencement of the winter, and probably yet entertain, that a partial finish of the work to Poughkeepsie, and taking a protracted time for continuing it above, was the best policy."

I will not attempt to discuss Mr. Flagg's policy, as now avowed—is sufficient to ask whether any of you subscribed to this work with a view to its being carried on in a faltering, hesitating manner, to stop at Fishkill, as Mr. Flagg says his friend Mr. Alley proposed, or at Poughkeepsie as they unitedly advocate, or at any point short of its original ultimate destination, the outlet of your canals, and the termini of the numerous railroads daily pouring their thousands of passengers into Albany and Troy.

And I may also ask if any of you calculated that its completion would be protracted for a series of years, subjecting your charter to the uncertainties of future legislation.

It is not inappropriate to remind you that Mr. Flagg signed the June, 1843, report, immediately before the election for directors for that year, and re-assured the sentiments contained in it in February last, his sagacity probably suggesting to him in the latter case, that in a few months his seat and office might be in danger. And as he well knew that his first election was owing to the votes of his associates in the Board, and that he would be equally indebted to them for his second, it is not surprising that he should have persuaded himself that his secret views in opposition to the Board, and possibly plans to defeat their intentions, were the cause of the request for his withdrawal—but that he should so openly have proclaimed his duplicity after his separation from the company, is a singular exhibition for a gentleman of his standing.

There is but one other charge of Mr. Flagg's, in regard to your work, which I shall notice, and that I shall do without taking the trouble to quote him. He would persuade you that the cost of your work will be much more than has heretofore been stated to you—on this subject, I carry you back to the report of February last, when he told you that "to put the road in operation to Poughkeepsie would require about \$4,000,000, and that to put it in operation to Albany would require about \$7,235,740, according to the revised estimates of the chief engineer," and I recall to Mr. Flagg's recollection that in reading that report to the Board I paused, and asked the chief engineer if he still sanctioned that estimate, to which he replied in the affirmative. If Mr. Flagg had in his possession when he left the Board, any official data, other than an intimation in the chief engineer's report of June—which,

with a full report by the Board, will shortly be published—of increased expense arising from the difficulties alluded to, he suppressed it. My own impression is, that the road will cost probably half a million more to Poughkeepsie than was stated in February, and my settled conviction is that by *practical business management*, avoiding the evils usually attending the construction of our public works, that the right of way and damages for sixty-five miles above Poughkeepsie will not cost over half the relative sum which they have done below that place, and that the grading, bridging, and construction way, and will, be done for full twenty-five per cent, relatively, less.

I have done with my explanations in reply to Mr. Flagg, excepting some necessary remarks on the wailings of himself and friends over his separation from the company.

It seems to be thought by some that a great wrong has been done to Mr. Flagg, by asking him to retire from his office, and sympathy has been expressed for him. It may be asked what peculiar claim Mr. Flagg had to be retained in your service if it was not deemed advantageous to you that he should be? Before yielding to this feeling, you will do well to recollect that Mr. Flagg was not called from a permanent office, but one which he was about to vacate, and as he says himself "would he vacated by the new constitution," and he might have added, to which he had no hope of being re-appointed, his political friends having lost their control in the government of the state, and also to recollect that Mr. Flagg has suffered little in a pecuniary point of view, having for his sixteen months and a few days services, realized upwards of \$8000, by his salary of \$4000 per annum, and the profit in his stock, which he required the company to assume. The hardships and imputed injustice of his case therefore will probably be mitigated in the minds of most of you, by distinctly keeping these facts in view—and some of you may think that the real hardship is on your side, in so large an amount of your funds having been appropriated without any useful result.

It may be asked what course Mr. Flagg and his friends would have had the Board pursue in dislodging him from his position? He either was or was not a desirable head for your company. Who were the most competent to judge of that fact? You, nineteen twentieths of whom, like some of ourselves, knew nothing of the gentleman, but through the glare of the office he had previously held? or the directors? who had for a year constant opportunities of observing his management of your concerns—of judging of his "necessary tact," systematic "arrangements," and *disinterested and patriotic watchfulness* over the selection of contractors, and in scrutinizing the disbursement of your money.

If the majority of the Board transcended their authority in the case, what should they have done? Should they have drawn up articles of impeachment, and appealed to you to appoint a commission to try Mr. Flagg's competency?—or what other steps would you have had them take? I think, on this point, whatever may be Mr. Flagg's opinion, subsequent events have proved, and you must admit, that a wiser course was adopted: the making quiet and efficient arrangements for the accomplishment of an object which was thought absolutely essential to the protection of your interests, and the proper progress of your work. I cannot imagine any course that would have been less disadvantageous to Mr. Flagg and yourselves. That Mr. Flagg should have been so blind, as not to have seen the disaffection which had for some time existed among his associates, was surprising to several of them. But I may misjudge him in this particular; he may have been aware of

it, but supposed that his "Canal Board" experience, and his numerous powerful political friends, rendered him secure against removal, as long as he thought proper to hold on to his office.

Mr. Flagg complains that only three days' notice was given of the intentions of the Board in regard to him. This is true, and my former communication told you the cause of this short notice. Mr. Flagg, as usual, perverts facts on this point; he says, "the information, for the transmission of which Mr. Kemble alone was the proper medium, was concealed from him four months." This is untrue; the fact is, that though great dissatisfaction existed, "four" and even six months before that, no decision was had till the meeting of eight members which took place about the middle of May, and the letter on the subject of the meeting, from which I published an extract, was dated the 31st of May. (The omission of the date in my former allusion to it was entirely accidental.) But what benefit or comfort would earlier information have been to Mr. Flagg? It would not have removed the necessity for action, nor do I believe it would have prevented it. His tenacity of office would probably have been the same, and he and his friends might have created much mischief by getting up an excited election, and have done more injury to your interests than he is now capable of doing.

Mr. Flagg has complained that he was invited to retire from your service without your being consulted; overlooking the facts, that he was called from Albany by the Board without any such formality. That he was with the same disregard of what he now considers your prerogative, re-elected a director in June, 1848, when three new directors were also introduced in place of three of his friends, by means of the proxies held by his associate directors which are now so obnoxious to him. He was then quiescent. He was retained in office, and there was no complaint of any violation of propriety. But when in 1849, the majority of a Board, comprised of eight of the thirteen members undertake on further acquaintance to judge as to the due qualifications for the office of president of so important a personage as Mr. Flagg, it is all wrong that the directors should exercise their own judgment, or receive and act on proxies to establish a more efficient reorganization. It is, "engaging in secret cabals to displace those whom you have chosen"—it is a violation of your rights, and a cause which calls on the manly and honorable Mr. Flagg to appeal to you, and arouse the attention of the whole community to the "wanton wrong" of leaving him and his friend, Mr. Alloy, out of the direction. And he feels it his duty to fill column after column with recitals of his wrongs—of his Canal Board and comptrollership experience—of his great prudence and caution—of the *conversations at the Board of your Directors*, and of what he could and would have done had it not been for my "dictation." And on his removal he awakes all at once to a portentious sense of the great mismanagement that has occurred in the direction of your affairs, and points me out to you as the source of all the evils which have occurred, and by which you are likely to be overtaken.

This may be consistency after Mr. Flagg's school, but it is to me a novel exhibition of that quality. Does it not occur to you, as a remarkable fact, that a gentleman of Mr. Flagg's distinguished talents and great experience, with the aid of his friend, Mr. Alloy, should have been unable to counteract my disastrous overbearing influences? These repeated imputations are as unworthy of Mr. Flagg's former character, as they are unfounded in truth—and insulting to the gentlemen with whom we acted.

It may be supposed, from the remarks of Mr. Flagg, and from the tenor of these in reply, that a state of

hostility existed between us while officially connected. This was not the case—the usual contestries due to our mutual position were maintained till the necessity occurred for my action in procuring his removal, which action has produced his malignant attack on me, which I cannot believe has been prompted merely by personal feelings. You may perceive that in every point he takes, there is an insidious bearing on the success of your work, in endeavours to destroy your confidence in its management, and retard its progress. Mr. Flagg, is doubtless disappointed and chagrined by his removal from a prominent and influential station—but some ulterior objects must be defeated, or this gentleman surely, with all his experience in changes of office could not have been led into the dishonorable course which he has pursued towards you, merely to indulge spleen against me—Whatever may have been such object, or the views of his friend, Mr. Alley, with whom he connects himself in most of his remarks, you have now nothing to fear from their influence in the Board. I think you will find you have an harmonious Board, and I congratulate myself in having as far as in my power expiated my mistake in promoting the call of Mr. Flagg to your service, by fearlessly uniting with others in displacing him.

I also congratulate you that your work is sufficiently advanced to warrant its real friends and advocates in acting independently in drawing a line of distinction between its true friends and those who, professing to be such, have secretly and with selfish objects been hanging on to it, endeavoring, in the pursuit of such objects, to paralyze its progress by sowing dissension among its managers, and, by attempting to stop it half way, to throw renewed disgrace on our city, as to its capabilities in successfully carrying on what even Mr. Flagg says will be “*the best road on this continent*,” and that “*no one can appreciate more strongly*” than he does “*the importance of getting the road through to Albany as soon as practicable*,” to which, to conti ne to quote him, “*you have contributed nearly three million of dollars*,” and, he might have added, to forward which, on the two occasions when the mortgage bonds have been offered to you, you have in both cases come forward and taken nearly twenty-five per cent. more than was asked of you.

A road—which Mr. Flagg continues to say, will, in reaching Albany, “*connect both by canals and railroads with a lake coast of five thousand miles in extent, and this coast presenting at intervals at all the great thoroughfares, canals or railroads extending from the shores of the lakes to the Ohio and Mississippi rivers at the south and west, and the St. Lawrence at the north*.” I correctly quote Mr. Flagg; and yet this self-constituted coöperator of your interests does not find it to correspond with “*his views of sound policy, to make contracts for the payment of a million of dollars beyond the amount of stock subscription*,” and he undertakes to censure and slander those who were acting under express legislative sanction in carrying out the principles on which your subscriptions had been invited and made, and to which he, yes, *he, himself*, had twice given his sanction, in documents publicly put before you though at the same time, as it now appears, he was endeavoring to subvert those principles by his secret action.

Should the language I have used be considered too harsh, I would ask you to review Mr. Flagg's two communications to you. I have paid no attention to

his statements of conversations with me. His reckless of truth, on other points, forbids my placing myself in opposition to him, on questions involving our relative veracity. I now abandon further discussion of the subject, but if he should hereafter advance any false statements, having the semblance of truth, which I may deem of sufficient importance, I do not mean to preclude myself from suitably explaining or contradicting them.

These remarks are submitted on my own individual responsibility, without reference to the Board, other than for permission to use the minutes.

It will, I hope, not be deemed impertinent for me to add, that my services to you, as President, are gratuitous; and, farther, that before the organization of your company, I announced to my associate commissioners, that while I held a seat at the board, I would not, nor should my commercial house, make any contracts or have any business with your company, direct or indirect, from which profit was to be derived—my object in this was, to give my aid in removing from our city the stigma, which has attached to it in many cases, that men cannot be found to devote themselves to an enterprise of this kind for the public benefit, but from selfish, interested motives. My pledge has been kept, and shall be; and I believe you now have a board which will carry out this principle, and a board which will not hesitate to take any and every proper step necessary to protect and further your interest, regardless of any new elements of opposition that may be fomented by your late President and his friends. JAMES BOORMAN.

New York, August, 1849.

P. S. In the discussion which Messrs. Flagg and Alley have excited respecting the recent charges in your board, Thomas W. Olcott, Esq., of Albany, has been passed over with the single remark that he “*resigned because he found that his engagements at Albany had wholly prevented his attending the meetings of the Board*.” It is due to this early, efficient and steady friend of your enterprise, to leave no possible doubt hanging over the cause of his resignation.

On the 6th June last, at the request of some of my associates, I wrote to him—“*Our election, you are probably aware, comes on next week. As you have never met with us, it is hoped you will not misapprehend an enquiry whether, if we should think it necessary, in order to increase the active force of our Board, it will be agreeable to your feelings to relinquish your seat for the coming year. It is a delicate enquiry to make of one who has had so much influence in promoting this work, but our circumstances are peculiar in some respects, and call on its real friends for sacrifices of personal views and feelings; and on this ground, I trust you will excuse the freedom of the communication*”

Mr. Olcott's reply was of the prompt and enlightened character to be expected from that gentleman. On the 8th June, he wrote:

“*Enclosed is a letter to the President of your company, resigning my seat, and let me assure you, that I have long reproached myself for retaining an office, the duties of which, I have been unable to attend to, and which I see no prospect of being able to perform with any more advantage to the company, or credit to myself, for some time to come. Please accept my proxy, and command me, if I can serve yourself or the company.*”

A Card.—To the Stockholders of the Hudson River Railroad Company.

The remarks made upon the *Iron Contract*, by A. C. Flagg Esq. in his letter of July 5th, addressed to you through the columns of the *Evening Post*, do great injustice to the original Board of Directors, who made the contract, and particularly to Mr. Boorman. The respect we entertain for Mr. Flagg forbids any other idea than that these remarks were made without having informed himself of the real facts of the case. While we regret to be drawn even indirectly into the unfortunate controversy which has arisen in regard to the management of the company, common justice to all parties, and the interests of the great enterprise, to the completion of which, this city has devoted so much of its capital and talents, demand a statement of the circumstances under which the iron contract was made.

At the time the capital stock was subscribed in the spring of 1847, it was confidently believed that the road could be opened to Poughkeepsie, in 1848, and to Albany in the year 1849. To iron the road eighteen thousand tons of iron were required, estimated in the engineers' report to cost \$75 per ton. At this time, every ton of rails that could be produced in England and this country, were sold for months in advance. Many thousand miles of railroad, were in progress in Europe and this country, and the immediate demand for rails, was altogether beyond the means of supply. As it was a period of general tranquility and commercial prosperity, both at home and abroad, and as the attention of the public was turned in an unusual degree towards the construction of railroads, it may be affirmed without the fear of contradiction, that the opinions of prudent and experienced men, concurred in anticipating for some years to come a continuance of demand beyond the probable means of supply, and that the price would not range below seventy dollars per ton, while many expected that it would reach eighty to eighty-five dollars per ton, the price of the year before.

If the directors of the company had shut their eyes to this state of things, and the opening of the road had been delayed, because early contracts for rails had not been made, the stockholders would have had just ground for censure. Accordingly, in August, 1847, the company advertised for proposals for rails—we bid for 12,000 tons, at \$67 50-100 per ton, and the New Jersey Iron Company for 6000 tons, at the same price. These bids being the lowest made, were accepted. It was proposed to us to limit the contract to half the amount, but we declined the contract, except for the quantity above named, for the very obvious reason, that we were then selling rails, to be delivered in 1848, at seventy-one dollars and twenty-five cents per ton: and our only object in offering at \$67 50-100 was to secure work for 1849. We had serious doubts at the time whether, taking the two years together, we had not named a price altogether too low; but with us, as with the railroad company, certainty was the great object to be aimed at. We may add, that after closing the contract, we received offers at \$70, for more rails than we had agreed to deliver to the Hudson River Railroad Company, in 1848; and that we made sales at that price, to the extent of the margin which this contract had left us. So much as to the propriety of the contract.

Mr. Flagg evidently imputes to Mr. Boorman what he considers a want of prudent management in this contract. Now, it is only doing Mr. Boorman common justice to state, that we had no intercourse with him whatever in making the contract, as we believe he was out of the city during all the negotiations, and our bids were certainly accepted in his absence. The preliminary negotiations were made with the committee on supplies and purchases, of which Mr.

Boorman was not a member; and it was not until several weeks afterwards, when we submitted a draft of the contract to be executed in accordance with our proposal, and the acceptance of the same by the *Board of Directors*, that Mr. Boorman undertook to arrange the details of the contract. This he did, as we were informed, at the request of the committee, because of his great familiarity with such contracts. The general terms of the bargain he could not have modified if he had felt disposed, because they had been all definitely settled before he took part in the matter. But the contract itself affords the best evidence of Mr. Boorman's judgment and care, in the minutest details, as the interests of the company are guarded in every possible way, and with a particularity to be found in no railroad contract ever under our notice.

Of the twelve thousand tons to be furnished by us, only five thousand were to be delivered in 1848; and the time of the delivery of the balance, was, under certain necessary restrictions, left to the discretion of the company. Provision was thus made against the unnecessary loss of interest. Of the balance, one thousand tons were ordered to be delivered under Mr. Flagg's administration, at least six months before they could be used. And yet the loss of interest at that time is certainly no ground for censure against him, because an undertaking of such magnitude, where the loss attendant upon delay is so great, it is but common prudence to provide for the supplies a reasonable time in advance.

The causes of the subsequent fall in the price of iron, disappointing alike the expectations of makers and consumers, were twofold. First, the famine of 1847, resulting in a general commercial revulsion in England, and the political revolutions of 1848, which suspended the government lines of railway on the continent. No man in the community could have foreseen these events when the iron contract was made, and it certainly should not be made the ground of censure against the Board of Directors, that they were not possessed of the faculty of second sight. If these derangements of trade had not occurred, we think the general voice of the iron trade will sustain in the opinion, that rails would have fully maintained their price to this day. The probabilities were all certainly in favor of an advance in price. Unforeseen fluctuations in the prices of staple articles are too familiar to the merchant of New York, to be with them just ground for censure against such experienced business men as the directors of the Hudson River Railroad Company.

If any error was committed, it was certainly not in the iron contract, so much as in the incorrect estimate as to the time when the road could be opened for public use. On this point we recollect to have heard but one opinion expressed in 1847, viz., that the road could be opened to Poughkeepsie in 1848, and to Albany in 1849. If this opinion had been as well founded as it was general, the iron contract was not only judicious, but *absolutely necessary*, at least for deliveries to be made in 1848; and as stockholders, we thought so at the time, not because we desired to sell rails, for purchasers were then plenty enough at better prices; but because we believed that all the arrangements for so gigantic an enterprise, should be made sufficiently in advance to prevent the possibility of disappointment to the expectations of the stockholders, and the just demands of the public.

We have the honor to be

Your fellow stockholders,

COOPER & HEWITT,

Agents of the Trenton Iron Co.

New York, July 16, 1849.

Letter from JAMES BOORMAN, Esq., President of the Hudson River Railroad Company.

To the Stockholders of the Hudson River Railroad Company:

The part taken by me in the appointment of the Hon. A. C. Flagg to office in your company, arose from a desire to benefit your interests, on the supposition that a gentleman who had so long occupied a high office in this state, connected with its public works and financial concerns, must possess qualifications which would be eminently useful to you.

I therefore fully participated in all the measures for inviting him from Albany, in appointing him President in the place of Mr. Chamberlain, who retired, and in re-electing him a Director and President in June, 1848; and throughout his connection with the company, I gave him all the aid and support in my power, in the discharge of the duties of his office; and although disappointed, in many respects, in the realization of the advantages expected to be derived from Mr. Flagg's services in the company, I indulged the hope, till the past winter, that its concerns could be carried on under his general superintendence, when circumstances, which it is not necessary to detail, satisfied most of my colleagues in the Board, as well as myself, that an error had been committed in placing him in the office of President. Increasing discontent through the spring led to a meeting of eight of the most active directors, in the month of May, the result of which was a unanimous conclusion that it was necessary to look to a change in the incumbency of Mr. Flagg's office at the then ensuing election.

The difficulty and delicacy of carrying out this measure was felt by all, but it was evident to all that it was due to Mr. Flagg's position, and desirable in every point of view, to make an amicable arrangement with him, and to avoid any contest or excitement in its accomplishment.

The difficulty of harmonizing the views of several individuals, all of whom did not reside in this city, as to the best mode of discharging this duty to you, must be obvious to all; and it was not till the 4th of June that the parties who held the meeting some time previous could be brought together again and come to a decision how to act—that decision was to send for our colleague, Mr. Kemble, who (from motives of delicacy toward him and his friend Mr. Flagg) had not been consulted on the subject, and to ask him to communicate the views of the board to Mr. Flagg, and make an arrangement with him for retiring in the manner most consonant with his feelings, and Mr. Kemble was requested to propose the allowance of half a year's extra salary, or \$2,000, as a compensation for the expense and inconvenience to which he would be subjected.

Mr. Kemble's attendance could not be procured till the 7th June, at noon, and he had to return to his residence the same afternoon. He made the desired communication to Mr. Flagg, who gave him no decisive answer, and as the election was to take place on the 11th, (Sunday intervening,) it became necessary to relinquish the object, or to pursue it in a different manner. Three other directors and myself, therefore, asked for a conversation with Mr. Flagg on the 8th, in which he was treated with every possible delicacy and respect, and that conference led to Mr. Flagg's submitting a written proposition to transfer his eighty shares of stock to the treasurer in trust for the company, on his being paid par for it, and thus to vacate his seat as a director, and consequently his office as president. That arrangement, by which he derived a pecuniary benefit of \$2,380 over the cost to him of his stock, besides one and a half year's inter-

est on that amount, was carried into effect on the 9th, and Mr. Edwin D. Morgan was immediately appointed to fill the vacancy in the Board.

These proceedings, (harsh as they may appear to those who do not understand the difficulties of the position,) were conducted with every possible regard for Mr. Flagg's feelings and interest, consistent with the unpleasant step which had been decided upon; but Mr. Flagg, overlooking this evident desire, charges that it was brought about in a secret and clandestine manner—intimates that I alone of the members of the Board entertained the opinion that he was unsuited for that post, that I alone had been instrumental in procuring his retirement, and he concentrates the whole bitterness of the feelings which have been unhappily aroused, entirely upon me.

I shall not be provoked by the expressions which he has used, into a reply in the same spirit; but it is due to you, since such views have been spread before the public, to relieve myself from the unjust and unfounded accusations with which his letter abounds; and to do this it will be necessary to refer to letters not intended for the public eye, but which show conclusively that the step complained of was the result, not of my determination, but of united counsels.

From the first of those letters, written in May, by a portion of the directors (seven of them uniting, or at the time concurring in it) to one of the eight before referred to, who was absent from the city, the following is extracted:

"On a recent occasion, when you met with us in consultation on the subject of the present management of the Hudson River Railroad Company, you will recollect we came to the unanimous conclusion that some changes were essential to the successful prosecution of the work. Among others, that from Mr. Flagg's previous pursuits, not having been of an active business character, and this work being very much (as to the President's duties) of that nature, that however worthy of all respect, consideration, and confidence, in other points of view, we were suffering in our vital interests from that gentleman's want of arrangement, experience, and necessary tact in the discharge of the duties of the office he fills, and therefore that a change in the incumbency of his office, at the approaching election, would be necessary."

"It continues to be our opinion that this change should be made, and your prominent position among us calls for your co-operation and aid, if you remain of the same opinion. In our view, it ought to be definitely determined on next week, and an intimation of our views given to Mr. Flagg."

If the position that there was want of unity of action be still doubted, it is fully established by the following sentence contained in a letter from a gentleman selected to communicate the views of his colleagues to Mr. Flagg:

"The unanimous opinion which appeared to exist in the Board for the removal of Mr. Flagg, was, I confess, as unexpected to me as it was to him."

To you, therefore, gentlemen, I appeal, whether the insinuation that this step was not the result of united and harmonious counsels, or that it arose from any wish to injure Mr. Flagg, is at all sustained. On the contrary, I submit that, considering the difficulties of the case, it is evident that it was intended to give to the matter the complexion least hurtful to him, that of retiring on an amicable and friendly arrangement, in which every possible regard was paid to his feelings and interests. It was no wish of the

directors to interfere in any degree with the shape thus given to this transaction by the company, and also by Mr. Flagg, who received the sum paid on that basis, and who, it is suggested, was bound equally with the company, by good faith, not to do so; and if such interference has occurred, it was produced not through their act or procurement, but that of Mr. Flagg or his friends.

The first intimation which appeared of angry feeling was made soon after the election, in the paper which is Mr. Flagg's recognised organ, and the explanation called for by the editor was answered by one of the inspectors of the election, under the signature of "S. W.," in the same paper. The answer was in no respect inconsistent with the arrangement made with Mr. Flagg, and was calculated to allay excitement and present the matter in a light the most acceptable to his feelings.

Mr. Flagg is not a man of "practical commercial business habits," it was never pretended that he is—nor is he, for he is a stranger among us—"closely connected with the commercial and monetary interests of this city;" and it was no imputation upon him to say, as "S. W." did, that Mr. Flagg retired, because some of the largest stockholders thought that a person more closely connected with those interests could more advantageously discharge the duties of the station he had occupied.

Mr. Flagg, connecting my name with the explanation which S. W. thus gave, and in a friendly and respectful tone, asserts that the views contained in S. W.'s communication originated with me, that I have made a secret and clandestine attack upon him, that the public has been misled as to the cause and manner of the proceedings which ended in his retiring, that poisonous slanders have been disseminated by me through secret emissaries, and these charges, founded in part on an article which appeared on the 6th of June, in the Poughkeepsie Telegraph, and which he attributes to me or the company, are offensively repeated in his address to the stockholders.

It is proper, before noticing any more of his address, to deny, as I most explicitly do, all connection, direct or indirect, with that article. Its statements were not furnished by me, nor do I know by whom they were furnished, nor had I the slightest information of its appearance until its actual publication; and the same may, I am sure, be said of all the directors with whom I acted. Mr. Hooker, who resides at Poughkeepsie, desires that the denial may be made for him expressly; and yet Mr. Flagg, without proper inquiry as to its authorship, attributes to me what he stigmatizes as a "poisonous slander," although it was easy for him to ascertain that I was perfectly free from any the most remote connection with it.

The sense of justice which thus exhibits itself, is shown throughout the entire article, in a series of charges and insinuations, wholly different from the temperate and courteous language of S. W., above quoted and alluded to, and which now constitutes the only remaining justification or the charge, that I have misled you as to the "cause and manner" of the change, and have, in an "unfair and unmanly way," injured Mr. Flagg's reputation.

You need only to recur to the quotation, to satisfy you that, whether the allegation of S. W. originated with me, or not, the charge is wholly unfounded.

The denunciation of the use of proxies by Mr. Flagg, is a reflection on the general practice in all similar institutions in this city and throughout the state; but it might be easily shown that it is the most conservative principle applicable to elections in joint stock companies. Mr. Flagg made no objection to them, when, in 1848, proxies almost wholly were used to re-elect him, but he objects to them when used

to elect others; and obtaining them on the recent occasion, appears to be evidence to his mind of a secret intrigue against him, and he doubts whether many stockholders could be found to sanction the use of their votes in that manner. The facts in this case are, that a number of the largest stockholders were made aware of the intention of the Board to leave Mr. Flagg out of the direction, and gave their proxies on this express understanding, and several large stockholders voted personally to the same effect, and not a solitary one otherwise. The directors of the company are also large stockholders, and supposed themselves entitled to exercise their privilege of voting independently of the views or dictation of Mr. Flagg. But to follow this gentleman in all his errors and inconsistencies would extend my remarks beyond the limit I have contemplated.

In respect to the statement of Mr. Alley's case, by Mr. Flagg, I have nothing to say as to any thing antecedent to the morning of the day of election in 1848, but to refer him to the confidential interview which then took place between Mr. Alley and myself at the house and in the presence of a colleague, which interview led to his re-election. He will doubtless recollect that we have met at the Board but once since, and then in perfect harmony. If Mr. Alley thinks that he ought to have been re-elected in June last, "when unable to assist in the discharge of the onerous duties of the Board," he must excuse me for differing from him.

The assumption of Mr. Flagg, that because he is no longer at the head of your company, all conservative influences are withdrawn from it, it is difficult to characterize by any other name than that of arrogant impertinence.

It is true that we may no longer have our time wasted and patience exhausted, at the meetings of the Board, by a puerile display of economy over the merest trifles, and by relations of his experience in the proceedings of the Canal Board, and the discharge of his duties as Comptroller, to the exclusion of the due consideration of questions involving the disbursement of thousands and tens of thousands of dollars—but if deprived of these advantages, it is hoped that by the exercise of a practical commercial course of action, we may still be able to carry on the business of your work without serious disaster to you. Your Board is now composed of men with whom you are familiar in all the walks of life, men who by the successful management of their own affairs, furnish reasonable expectation that they may be found competent to take care of the interests committed to them—men independent enough to do so faithfully—looking solely to your and their united interests and to that of the public men who will try to do justice to all and exact it equally from all, regardless of prospective consequences, political or otherwise.

The length of this article precludes me from noticing in it any other matter, and I have confined myself principally to subjects to which Mr. Flagg has given a direct personal hearing. There are many of his statements, in respect to the general concerns of the company, from the examination of which, inconsistencies, errors, and misrepresentations, equally great with those most exposed, may be shown to exist; but whether I will undertake that individually or obtain the opinion of the Board in regard to it, I reserve for future termination. I shall myself decline to notice any new matter which Mr. Flagg or his friends may bring forward for discussion, it not being consistent with my inclination and pursuits to engage in such controversies.

JAMES BOORMAN.

Hyde Park, July 12th, 1849.

A Card.—To the Stockholders of the Hudson River Railroad Company.

I find myself arraigned before you and the public, in the Evening Post of yesterday, in a letter to you, from the Hon. AZARIAH C. FLAGG, in relation to his not having been re-elected a member of your Board of Directors, and to its having been intimated to him, previous to the late election, that a majority of his associate directors thought it was not compatible with the interests of the company to continue him in the office of President.

This communication is to me quite novel in its character, and the same gentlemen that united in making that intimation to Mr. Flagg, having temporarily placed me in the position recently occupied by him, I confess myself at a loss whether to let the subject pass as to myself, without remarks in reply, or to explain to you the motives which influenced me in uniting with others in bringing about a change in the administration of your important concerns. My mind inclines to the latter course as most respectful to you and the public, but my engagements do not permit my attending to it the present week, and it will be the middle of next before I can do so.

In the meant me, permit me to assure you that I have no disposition to shrink from a full share of responsibility in all measures which led to Mr. Flagg's being connected and disconnected with the company.

I have considered, and as long as I hold a seat at your Board of Directors, shall consider the proper and successful management of your work, as paramount to all personal considerations in the appointments of its officers, and when it is necessary to act

efficiently, shall do so, observing all practical delicacy to the feelings of those who may be affected by changes, as I have done in the case of Mr. Flagg, though it unfortunately appears acrimonious sentiments on his part have been excited, most especially towards myself.

If you will review the names of the gentlemen who now constitute the Board of Directors. I think you will be satisfied as to the safety and progress of your work, although Mr. Flagg and his friend Mr. Alley, for whom he volunteers to speak, are no longer members of the Board, and though I am, (as I have said, temporarily,) placed at the head of it.

My experience in this work has satisfied me that it can be as well carried on by gentlemen of business habits, as by those whose lives have been devoted to political associations and the management of public works:—and this being peculiarly a commercial enterprise, carried on on commercial capital, Mr. Flagg, in my opinion, ought not to view it as a reflection on his character that he has been asked to give place even to myself, on whom for the last six months or more, the essential monetary duties of his office have devolved.

Mr. Flagg's communication will probably be republished in some papers, and if so, I beg that this may likewise have an insertion, and also any subsequent explanations I may give, should I think it best to do so.

JAMES BOORMAN.

New York, July 6th, 1849.